

AGENDA: July 8, 2003

4.10

CATEGORY: Consent

DEPT.: Public Works

TITLE: Support of SB 20—Hazardous Electronic Waste Recycling

RECOMMENDATION

Authorize the Mayor to send a letter to the Governor, the California State Legislature and the local delegation supporting SB 20.

FISCAL IMPACT

Currently, Mountain View residents pay \$15 to drop off televisions and computer monitors (CRTs) at the SMaRT Station® in Sunnyvale or \$20 for Foothill Disposal to collect them at the curb in front of their homes. These fees do not fully cover collection costs.

If manufacturers of CRTs, or other hazardous electronic devices, establish no-cost collection programs, the volume of material recycled through the City program will decline, reducing costs. If manufacturers opt to remit a fee to the State in lieu of developing a program, Mountain View will continue to incur the collection costs. However, a portion of the fees collected by the State will be available as grant funds, possibly offsetting local costs.

BACKGROUND AND ANALYSIS

In 2001, the California Department of Toxic Substances Control (DTSC) determined CRTs contained a sufficient amount of hazardous materials, namely lead, to warrant disposal restrictions. This ruling prohibits the disposal of CRTs in municipal solid waste landfills; rather, they must be disposed in hazardous waste landfills or recycled. Mountain View established recycling programs with Foothill Disposal and the SMaRT Station® in Sunnyvale to comply with the DTSC ruling.

To aid the establishment of new collection programs and to offset the cost of existing programs, Senator Sher introduced SB 1523 in 2002. This bill would have established an Advanced Disposal Fee or "ADF," to be collected by retailers when consumers purchased CRTs. These fees would have been remitted to the California Integrated Waste Management Board (CIWMB) to establish grant and incentive payment programs for local agencies and electronics waste processors. The City Council took a position of support of this bill in August last year.

Governor Davis vetoed SB 1523, stating he believes a State bureaucracy to address this issue is not the solution for managing electronic waste when the administration has been directed to cut positions and when local governments report increased costs to recycle electronic equipment. The Governor signaled he would be willing to sign legislation requiring the electronics industry to assume greater responsibility for collecting and recycling electronic wastes.

ANALYSIS

To address the Governor's concerns, Senator Sher introduced SB 20 earlier this year, which directs the DTSC to develop regulations concerning the manufacture and sale of CRTs and other hazardous electronic wastes, which will be defined by the DTSC at a later date. Major provisions of these regulations include developing guidelines and procedures by 2007 to phase out the use of hazardous materials in the production of electronic devices; and developing guidelines by 2005 to restrict the sale of electronic devices which are not easily recycled. A copy of SB 20 is Attachment 1, and the latest legislative analysis is Attachment 2.

SB 20 requires manufacturers to clearly label hazardous electronic devices and develop a no-cost consumer-take-back program. Manufacturers must account for how the devices have been recycled and where they have been sent as there is concern about the exportation of hazardous materials to developing nations. Manufacturers who do not follow these regulations can be fined up to \$5,000 per offense and up to an additional \$25,000 for not complying with the regulations.

Manufacturers also have the option to pay a fee to the CIWMB in lieu of developing collection programs. If manufacturers pursue this approach, local agencies will continue to maintain collection programs. However, the CIWMB will make these fees available to local agencies in the form of grants, possibly offsetting program costs.

As with SB 1523, opposition includes the American Electronics Association. They assert the bill creates mandates, which will overburden the State and local governments. They also believe the regulations lack the flexibility needed to develop successful recycling programs. A complete list of the opponents is included as Attachment 3.

Support of this legislation includes the League of California Cities, Sierra Club and others. A list of supporters is also included in Attachment 3.

The bill was passed in the Senate in early June and should be heard in Assembly Committees shortly.

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It is also important to note this bill will sunset if similar Federal legislation is passed or if a court determines out-of-state sales of hazardous electronic devices do not fall under this legislation.

PUBLIC NOTICING—Agenda posting.

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PS/8/CAM
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Attachments: 1. SB 20
2. Senate Analysis of SB 20
3. Support and Opposition to SB 20

cc: TPM, SWPM, SAA—Skinner, F/c